

To Ease Crisis, I.M.F. Makes Philippines Emergency Loan

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By STEVEN ERLANGER

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WASHINGTON, July 20 — In an important test of new methods to cope with instability in world markets, the International Monetary Fund has for the first time used emergency procedures set up after the Mexican economic crisis to arrange a \$1 billion loan to the Philippines.

The move was an unusual response to the pressure placed on Southeast Asian economies since Thailand was forced on July 2 to devalue its currency. On Friday, fund officials said today, the I.M.F. board approved an emergency loan request from Manila to help its central bank shore up the value of the Philippine currency, the peso, which was allowed to float on July 11 and has since lost about 12 percent of its value.

Though the emergency loan is small in comparison with the unprecedented \$17.8 billion the fund lent Mexico in February 1995, the instability of the Southeast Asian economies has been worrisome to international institutions like the I.M.F. and to the United States Government.

The 1994-95 Mexico crisis provided further evidence to the world's financial authorities that the global financial markets are tightly linked, and that instability even in smaller emerging markets can be enough to disrupt financial centers like New York and London.

During that crisis, world financial institutions were criticized for not moving fast enough. This helped lead to the establishment of emergency procedures that were put to their first test late last week.

"It's a very good thing that's happened," said C. Fred Bergsten, director of the Institute for International Economics. "This is the first sequence of financial disruptions since the Mexico crisis that has radiated out from one country to a financial contagion affecting lots of other

countries.

"It's imperative that the I.M.F. be able to deal with these crises very fast and demonstrate that to the markets," Mr. Bergsten added. "And the Philippines deserves a lot of credit for going to the fund quickly to seek help. So both sides have learned, and hopefully this will help mitigate any spillover of the contagion."

The I.M.F. board approved Manila's request to draw on \$600 million from an existing loan program due to expire on Wednesday, extended that loan through the end of this year and augmented it with another \$435 million credit line. The emergency loan should help Manila defend the peso and build up its reserves, after the Philippine central bank spent about \$1 billion itself trying — and failing — to support the currency's earlier fixed rate of exchange against the dollar, fund officials said.

Manila's request was approved within a week, an extremely quick turnaround, under the fund's Emergency Financial Mechanism set up in September 1995.

While a senior fund official said the Philippines qualified for the new credits under normal criteria, "it was a good occasion to try out these new procedures," made easier by the fact that fund officials were already in Manila negotiating a review of the Philippines' current I.M.F. loan program. Normally, it takes the fund at least six weeks to approve a credit request, the official said.

Two years ago, at the Group of Seven summit meeting in Halifax, Nova Scotia, the United States Treasury Secretary, Robert Rubin, persuaded representatives of other nations to set up funds within the I.M.F. for emergencies, so that loans would not be dependent entirely on American financing that would require Congressional approval.

The pressure on the Philippines, as on other countries among the "new tigers" in Southeast Asia, was a consequence of a slowdown in exports; the strength of the dollar against the Japanese yen, which made their own

currencies stronger against the yen as well, and deepening troubles in Thailand's economy. There, an overheated real estate market led banks and their customers to invest heavily in what proved to be bad projects, borrowing from Japanese and American lenders to do so.

There was a reluctance to devalue Thailand's baht, which was fixed to the dollar, because it would make those loans more expensive to repay. As a result, fund officials said, the Thais waited too long to devalue the baht in order to make their exports more competitive.

Currency speculators, however, put pressure on the baht and finally forced Thailand to give in on July 2 and allow the currency to float. The speculators then took aim at the currencies of Malaysia, Indonesia and Singapore, as well as the Philippines, the weakest of these economies.

In return for the new credits, the Philippine Government agreed to continue to keep interest rates high, reduce inflation to 6.5 percent in 1997 from 8.4 percent last year, to keep its budget deficit to 4.5 percent of gross national product and to try to pass the rest of a tax reform package. It also pledged to tighten the exposure of banks to real estate markets, which set off the crisis in Thailand. The fund expects the Philippine economy to grow this year by 6.3 percent, up from 5.7 percent in 1996.

I.M.F. officials said that the analogy of Southeast Asia to Mexico is not precise, and that the economies of the Southeast Asian nations — especially Malaysia, Indonesia and Singapore — are fundamentally sound, with strong growth. These countries, including Thailand, are already the kind of dynamic economies that Mexico is trying to become.

While Thailand does not have a loan program with the I.M.F. and says it does not want one, its Finance Minister visited Japan last week. But he did not, as expected, ask Tokyo for a loan, because the Japanese are said to have made it clear that no money would be forthcoming unless Thailand first approached the I.M.F.

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A new study by Ms. Dohrn's center has found that while the number of delinquency cases heard each month has more than tripled in the last decade, the number of convictions has remained almost flat.

"They are clogging the system," Ms. Dohrn said, "and when you do this wholesale, you drive kids into the system who don't belong there and you don't find the kids who aren't in school and are getting into serious trouble. They are able to pass through for a long time without being stopped. So it's a double whammy, and dangerous."

Probation officers are also supposed to enforce the most commonly used punishment in juvenile court, probation — a court order requiring a young person to go to school or find a job and obey a home curfew the rest of the day.

But no one likes probation: not judges, who want more innovative alternatives; not the offenders, who chafe at the loss of freedom, and not the police or prosecutors, who regard probation as a farce. Worst of all, probation further undercuts the credibility of the court.

For judges, probation is part of a terrible dilemma. "I really have only two major choices," said Glenda Hatchett, the presiding judge of the Fulton County Juvenile Court in Atlanta.

"I can place these kids in incarceration, where they will learn to become better criminals, or I can send them home on probation, back to where they got in trouble in the first place," Judge Hatchett said.

Because governments have always regarded the juvenile court as a "poor step-child" of the criminal justice system, Judge Hatchett said, there isn't money for the kinds of programs she believes would help, by reaching at-risk children and their parents when the children are 4, 5 or 6 years old, before it is too late.

Shifting Roles

Probation Officers Become Enforcers

Laura Donnelly is a Chicago probation officer with a master's degree in social work.

That makes her part of a vanishing breed, because today more and more probation officers have degrees in criminal justice. The change reflects the transition of the juvenile court from its origins in social welfare, treating the best interests of the child, to a criminal justice agency.

Ms. Donnelly has a caseload of 45 youths

whom she visits a few times a month at home, school or work to make sure they are where they are supposed to be. Three of her clients have disappeared completely. She is confident she could find them, if she had enough time, which she does not.

She could also get a court-ordered arrest warrant, but the juvenile court cannot afford its own warrant squad, and police officers she knows are reluctant to spend time looking for children on warrants, unless the person is arrested on a new charge.

"A lot of officers don't want to waste their time on kiddie court when the judge is going to release the kid anyway," she said.

Ms. Donnelly stopped by a house on Chicago's South Side where one of her clients lived with his grandmother and 13 cousins, since his mother was a crack addict who couldn't be found. A husky 16-year-old, the boy was on probation for selling crack and was confined to his home 24 hours a day unless accompanied by his grandmother.

A charge of auto theft had been dropped when he repeatedly failed to appear for trial and the witnesses in the case tired of going to court without any result. That is a common way for young defendants to win.

Ms. Donnelly reminded the boy that he had another court date in two days, relating to a charge of theft and battery incurred while he was supposed to have been confined to home. He had forgotten about the appearance.

It was another day's work for Ms. Donnelly. "These kids have had nothing but chaos in their lives," she said. "That's what we have to overcome, to give them as much structure and consistency as we can."

"But how," she asked, "do you replace the absence of the family?" Sometimes she thinks the only answer is to move in herself. But she knows that would not work either.

A Move for Change

Young Suspects In Adult Courts

All these troubles have sparked a growing movement to drastically restructure and perhaps abolish the juvenile court.

Leading the charge are conservative politicians who have passed laws in all 50 states allowing juveniles to be tried in adult court and sent to adult prison.

In Illinois a person under 17 may be tried in adult court for crimes including murder, carjacking and armed robbery as well as possession of drugs or weapons within 1,000 feet of a school or housing project, a provision that disproportionately affects minorities. Illinois also has a version for juveniles of the "three strikes and you're out" law.

Congress is poised to pass the most Draconian law yet, with provisions for \$1.5 billion in Federal grants to states that try larger number of young people in adult court and making 14-year-olds subject to trial in Federal court if they commit certain felonies.

"It's the end of the juvenile court," said Ira Schwartz, dean of the School of Social Work at the University of Pennsylvania. "All you would have left is a court for larceny." Such a truncated court would not be financially viable and would probably be scrapped, he suggested.

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At the same time, some left-wing legal scholars have also called for abolishing the juvenile court, though for very different reasons. Barry Feld, a professor of law at the University of Minnesota, believes that young people often fail to get adequate legal representation in juvenile court and would fare better in adult court, where they would be more likely to be assigned decent lawyers.

Under his plan, as a further protective measure, juveniles in adult court would be given a "youth discount," or lighter sentences, depending on their age.

Some children's advocates who in the past championed the juvenile court have begun urging still another solution — that the court scale back its judicial role and transfer its functions to community groups or social service agencies that would provide better treatment for young people in trouble.

In the rush to try juveniles in adult courts, some critical questions go unasked. For example, are 13- and 14-year olds really competent to stand trial like adults?

Often such young defendants cannot tell a coherent story to help defend themselves, said Thomas Grisso, a psychiatry professor at the University of Massachusetts Medical Center. What then should the court do? Wait till they are more mature?

As a result of all this ferment, Mr. Schwartz said, "What we have right now in the juvenile court is chaos, with every state moving piecemeal on its own." A century after the creation of the juvenile court, he said, "Unless we take it more seriously, what we are headed for is its abolition by default."

NEXT: Constitutional questions in New Orleans.

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"This is the dirty little secret of Cook County," said David Reed, the lead author of the report. "You have lots more cases but almost the same number of judges and prosecutors, and they can only do so much work and prove a certain number guilty. So all these kids are brought in on criminal charges and then most are let go. It fosters cynicism about the court, makes the public and crime victims mad and teaches young people that justice is a joke."

With an angry public demanding harsher punishments, it is becoming increasingly difficult for judges to differentiate between defendants who may have committed a youthful indiscretion and those who are on their way to a lifetime of crime. The distinction is critical. Almost 60 percent of those teen-agers sent to juvenile court for the first time never return. But every time a young person is sent back to court, his likelihood of being arrested again increases until recidivism rates reach 75 percent by a fifth appearance, said Howard Snyder, of the National Center for Juvenile Justice.

Despite a rush by legislators in all 50 states over the past decade to pass laws trying young people in adult court, there is no evidence that being convicted in adult court or sentenced to adult prison is more effective in reducing youth crime than the juvenile justice route. A new study of 5,476 juvenile criminals in Florida, which followed them from their arrest in 1987 through 1994, concluded that those tried as adults committed new crimes sooner after their release from prison, and perpetrated more serious and violent crimes, than those tried as juveniles.

Charles Frazier, a sociology professor at the University of Florida and a co-author of the report, said that keeping young people in the juvenile justice system works better because juvenile institutions provide more education and psychological treatment for inmates, helping offenders rehabilitate themselves. By contrast, adult prisons now are more punitive and have largely abandoned trying to change criminals' behavior. "Ultimately, you are going to release all these people back into the community, and the juvenile justice system does a better job of reclaiming them," Professor Frazier said.

19th-Century Origins

Firmly but Gently Disciplining Youths

The criticism of the juvenile court misses a fundamental point, some specialists believe. With the breakdown of the family, can any court system, juvenile or adult, do the job society once did: instill discipline and values in children, punish them if they are bad and then help redeem them?

"The juvenile court was set up 100 years ago, in a very different America, to help cure kids of immigrant families with manageable problems, like truancy, petty thefts and fighting," said Jeffrey Fagan, the director of the Center for Violence Research and Prevention at Columbia University.

As envisioned by the pioneering social worker, Jane Addams, the juvenile court was to be a surrogate parent and the judge a kindly doctor, seeking to understand the social conditions that had led the child astray, the way a doctor would study a disease. This paternalism was reflected in the informality of the courtroom, with the judge sitting at an ordinary table, not behind a bench, and wearing only street clothes, not a robe.

The court's guiding principle was to do what was "in the best interest of the child," not to protect the community or insure the child's constitutional rights. So punishments were kept light, since children were thought to still be in the process of forming their

personalities, and thus more amenable to reform than adults. And all proceedings and records were kept confidential.

An antiseptic nomenclature was even invented to avoid stigmatizing children. A boy was "taken into custody," not arrested. He had a "petition of delinquency" drawn against him, rather than being charged. And there were no convictions, only "adjudications," and no sentences, only "placements."

But today, poverty, joblessness and violent teen-age crime seem far worse than they were in the 1890's, often making the court's customs appear a quaint anachronism.

Also, as a result, Professor Fagan said, "The juvenile court can no longer do what it was set up to do. It certainly can't do what the public expects it to do, control juvenile crime."

Statistics only hint at the magnitude of the troubles the court is asked to resolve.

Since 1960, the number of delinquency cases handled by juvenile courts nationwide has nearly quadrupled, rising to 1.55 million in 1994. During the same period, the number of cases involving abused or neglected children, which are also handled by juvenile courts, has increased five times faster than even the delinquency cases, said Mr. Butts of the National Center for Juvenile Justice. And these abused and neglected children are often the very ones who become delinquents.

Among delinquency cases, violent crimes are rising the fastest. From 1985 to 1994, juvenile crimes involving weapons soared 156 percent, murders jumped 144 percent and aggravated assaults were up 134 percent. Property crimes were up 25 percent.

A Case in Point

In a Chicago Court, Beating the System

Perhaps the most revealing place to see the troubles is in Chicago, home to the nation's oldest and largest juvenile court. The Chicago court is not the best; that may be in Louisville, San Jose or Oakland, where the judges command wide respect. Nor is it the most beleaguered; that distinction may belong to Baltimore or New Orleans: Cook County is just a good example of what goes on in a high-volume juvenile court.

A tiny 13-year-old defendant, so short he could barely see Judge William Hibbler seated behind the bench, was on trial for murder.

The defendant — who will remain unidentified in accordance with the court's rules of confidentiality — was wearing an Atlanta Braves baseball jacket, and he looked more like a team mascot than a hardened criminal. But the teen-ager was charged with first-degree murder for shooting a man who was trying to buy crack cocaine.

At an even younger age, he was arrested for armed robbery and burglary, though without being sent to prison. This time, after his arrest for murder, he had been allowed to return home because the court had failed to give him a hearing within the 36-hour limit specified for juveniles.

While free awaiting trial for murder, he had stolen a car.

Neither his mother nor father was in court. His father had died of alcohol poisoning; his mother, a crack addict, was in a boot camp on a drug charge.

Judge Hibbler, the presiding judge of the delinquency division of the Cook County Juvenile Court, wore a black robe, a small sign of how the court has shifted from its original informality and evolved, in the judge's phrase, into more of a "mini criminal court."

The courtroom is inside the Cook County Juvenile Center, a modern structure a block long and eight stories high that from the outside looks more like an office building than a courthouse with a juvenile jail attached. The building was recently reconstructed as part of an effort to reverse the turmoil overtaking juvenile court.

Inside, however, the waiting rooms are still painted a dingy brown and are jammed with largely black and Hispanic families, many of them holding crying babies. In the men's rooms the toilets are broken and the metal mirrors are scrawled with graffiti.

These dilapidated conditions, said Mr. Lubow of the Casey Foundation, "basically say to the families and kids who come to juvenile court that we don't take them seriously, that we value them less as people."

Now, after talking with his lawyer, the youth begrudgingly confessed to murder as part of a plea bargain. Judge Hibbler then solemnly ordered that he "be committed to the Illinois Department of Corrections, Juvenile Division, till 21 years of age."

The boy smirked. He knew he had beaten the system again. He could be free in as little as five years. Without the plea bargain, he could have been transferred to adult court and faced a minimum sentence of 20 years.

It was the kind of case that infuriates conservatives and others, suggesting that juvenile court is little more than a revolving door.

But it was also the kind of case that makes children's rights advocates argue that juvenile court is failing to help young people from troubled families by intervening early enough to prevent them from becoming ensnared in a life of crime.

Even many judges themselves, who are often the only defenders of the juvenile court, concur that the court is foundering. But the judges tend to blame the politicians who have passed laws to try more teen-agers in adult courts.

"There is a crisis," Judge Hibbler acknowledged. But, he contended, "Children don't stop being children just because they commit a crime, and calling for an end of the juvenile court is the same as saying we should do away with grammar schools and junior high schools and just put everyone in college."

Clogging the Courts

Convictions Flat As Caseload Soars

In the traditional juvenile court, probation officers played a key role.

They presided at what is still widely called "intake," or arraignment in adult terms. After the police decided which juveniles to send to court — usually about half were dismissed with the equivalent of a parking ticket — the probation officers would screen out children whose crimes were petty or who had no record. Nationwide, they filtered out about half the cases referred by the police.

But in Chicago in the late 1980's, in response to the epidemic of crack cocaine and the rise of teen-age gun violence, Richard M. Daley, then the Cook County State's Attorney, wrestled this power away from the court probation department. To appear tough on crime, he began prosecuting 97 percent of the cases forwarded to him by the police, according to an analysis by The Chicago Sun-Times.

Mr. Daley is now mayor of Chicago, and that figure is down to 85 percent, the State's Attorney's office says.

But Bernardine Dohrn, the director of the Children and Family Justice Center at Northwestern University, said that prosecuting such a high proportion of cases has overwhelmed the court, resulting in about 70 percent of the cases filed by the State's Attorney being dropped before trial.

With Juvenile Courts in Chaos, Some Propose Scrapping Them

By FOX BUTTERFIELD

A1 CHICAGO — The nation's juvenile courts, long a troubled backwater of the criminal justice system, have been so overwhelmed by the increase in violent teen-age crime and the breakdown of the family that judges and politicians are debating a solution that was once unthinkable: abolishing the system and trying most minors as adults.

The crisis began building a decade ago, when prosecutors responded to the growth in high-profile youth crime by pushing for the trials of greater numbers of children, dramatically raising caseloads.

But the courts have become so choked that by all accounts they are even less effective than before, with more juveniles prosecuted but fewer convicted and no evidence of a drop in rearrest rates for those who go to prison.

The resulting situation angers people across the political spectrum, from those who believe the juvenile court is too lenient, to those who feel it fails to prevent troubled children from becoming ensnared in a life of crime.

In interviews around the country, judges, probation officers, prosecutors and defense lawyers described a juvenile court system in perhaps the worst chaos of its history.

In Chicago, where the first juvenile court was created in 1899, judges today preside over assembly-line justice, hearing an average of 60 cases a day, about six minutes per case. In New Orleans, public defenders have to represent their poor clients with no office, no telephone, no court records and little chance to discuss the case before trial. In New York, where the recent case of Malcolm Shabazz — who admitted setting the fire that killed his grandmother, Malcolm X's widow — focused new attention on Family Court, some officials say it is time to junk the system.

Almost everywhere, with juvenile courts starved for money, record-keeping is so primitive that often the judge, the prosecutor and the defense attorney have different records on the same de-

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fendant, making an accurate assessment of the case impossible. And because the courts cannot afford their own warrant squads, young defendants sometimes fail to show up for trial or simply skip out of the courtroom with virtual impunity.

Despite calls for tougher justice, the overcrowding and lack of resources mean that only a small percentage of the young people who move through the juvenile justice system are imprisoned, although there are other forms of punishment, the most common of which is probation.

Of the 1,555,200 delinquency cases referred by the police to prosecutors nationwide in 1994, 855,200, or just over half, resulted in what in adult criminal courts would be called indictments, said Jeffrey Butts, at the National Center for Juvenile Justice. Of these, Mr. Butts said, 495,000 defendants were found guilty.

In turn, 141,300 of these cases resulted in a juvenile's being incarcerated. That is 9 percent of those originally sent to prosecutors by the police.

By contrast, in adult criminal court, which is explicitly intended to be punitive, 90 percent to 95 percent of defendants who have been indicted plead guilty in a plea bargain, often as a way to win a lighter punishment. The philosophy of juvenile court traditionally was to rehabilitate rather than punish young offenders, a premise that has come under attack in recent years.

Congress is poised to pass legislation, backed by President Clinton, that would provide Federal grants to states that sharply increase the number of young people they try in adult court. The legislation, already passed by the House and likely to be adopted soon by the Senate, would further undermine the authority of the juvenile court at a time when many specialists predict there will be a new wave of youth crime, as the number of teen-agers increases by 15 percent in the next decade.

"The Family Court is bankrupt," said Peter Reinhartz, chief of New York City's juvenile prosecution unit. "It's time to sell everything off and start over."

Mr. Reinhartz is a longtime critic of the juvenile court, but even its staunchest defenders are now troubled by what they see.

"It is no longer just the chronic problems that have long plagued the court, like overcrowding and making do with less," said Bart Lubow, a senior associate of the Annie E. Casey Foundation who has studied juvenile courts around the nation. "Now there's a crisis of confidence, since the very notion that has been its cornerstone, that children are different from adults and therefore need to be treated differently, is in question."

Among the issues swirling in the nation's 3,000 juvenile courts are the following:

As pressure to get tough on young criminals has increased, the number of juveniles arrested who are prosecuted in court has climbed to 55 percent in 1994 from 45 percent in 1985. But the percentage of young people convicted has not kept pace, rising to 33 percent in 1994 from 31 percent a decade earlier.

In Chicago, the figures show an even more dramatic effect of overloading the system. The Cook County State's Attorney has increased the number of juveniles he prosecutes to 85 percent of all those sent to him by the police, but about 70 percent of these cases are dismissed for lack of evidence or the failure of witnesses to appear, according to a new study by the Children and Family Justice Center of the Northwestern University School of Law.

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Bill	Date	Sponsor	Description
HR305 Protection from Sexual Predators Act of 1997	1/7/97	Rep. Slaughter (D-NY) 57 Cosponsors 44 Dem 13 Rep	Allows for Federal prosecution of rapes and serial sexual assaults committed by repeat offenders. Requires that repeat offenders automatically be sentenced to life in prison without parole.
HR1419 Child Abuse and Neglect Enforcement Act	4/23/97	Rep. Molinari (R-NY) 25 Cosponsors: 2 Dem 23 Rep	Requires state law enforcement officials to provide child welfare workers with information such as records of criminal convictions and orders of protection based on claims of domestic violence or child abuse.
S900 Child Exploitation Sentencing Enhancement Act of 1997	6/12/97	Sen. Feingold (D-WI) 1 Cosponsor: Sen. DeWine (R-OH)	Increases criminal penalties for child sex offenders who use the Internet to find victims. Requires a term of imprisonment of up to twice the period that would otherwise apply for repeat violations. VP has spoken on.
HR2122 Joan's Law Act of 1997 (SEE S1346)	7/9/97	Rep. Franks (D-MA) 26 Cosponsors: 8 Dem 18 Rep	Child sex offenders shall, unless the death penalty is imposed, be sentenced to life in prison if the victim is under 14 years old and dies as a result of the offense.
S1346 Joan's Law Act of 1997 (SEE HR2122)	10/30/97	Sen. Torricelli (D-NJ) 1 Cosponsor: Sen. Lautenberg (D-NJ)	Child sex offenders shall, unless the death penalty is imposed, be sentenced to life in prison if the victim is under 14 years old and dies as a result of the offense.

Rachael Jose